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NORTH KOREA: IDEAL-TYPE ANOMALY?

by

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The collapse of Soviet-type socialism in Europe has created the implicit expectation that all states having built their socio-economic development on the application of a similar variant would meet the same fate. As the world is said to be arriving at 'the end of history' with the victory of liberal capitalism[1], the continued survival of the North Korean system thus appears as a source of irritation and exasperation on both the ideological and political levels.

Although the ideological position and political structure of socialism have not been completely abandoned in other Asian states such as Vietnam and China, or in Cuba, the regimes of these countries have introduced market reforms which move these societies away from central planning. Until recently Pyongyang has shied away from adopting the same strategy. This position notwithstanding, North Korean officials as well as groups of peasants and workers have, since the mid-1980s, visited China and Eastern Europe[2] to study the implementation of "market socialism". Likewise steps were taken to increase participation in world trade and encourage foreign investments. Nevertheless, as far as can be detected "market romanticism" has not taken root within the polity. As Chong-Sik Lee has put it, although the longterm survival of the North Korean system will require substantial economic improvement, "it is not likely that North Korea will follow the Chinese way toward market socialism because North Korean leader cannot accept capitalism on moral or practical grounds"[3].

For analysts of the Korean scene, the question to tackle is not so much whether the North Korean system will be able to survive but what constitute the elements behind this apparent anomaly. After all the Democratic People's Republic of Korea is a small country whose potentialities for staying the course would seem limited in view of the experience of the other socialist experiments. In order to shed some light on this problematique, this article will attempt to conceptualize the North Korean socio-economic and political system in a developmental perspective, i.e. analyzing the constraints and possibilities at the disposal of a small former colony to build a national economy. In order to do so one has to be aware that reality is more complex than theory. A certain dose of skepticism is warranted both with regard to the North Korean self-perception as well as with the Western "demonization" of the DPRK. Although in opposition to each other these two conceptualizations operate on the implicit assumption of Weberian "ideal-type" constructions. Consequently, the following should be

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1 see Francis Fukuyama, "The End of History" in The National Interest, Summer 1989.

2 see Keun Lee: New East Asian Economic Development-Interacting Capitalism and Socialism, (Armonk, New York and London, England: M.E. Sharpe) 1993, pp.80-81.

3 Chong-Sik Lee: "The Political Economy of North Korea, 1994" in NBR-Analysis (The National Bureau of Asian Research), September 1994, volume 5, no. 2, p. 12.

read as an effort to deconstruct both interpretations of the evolution and situation of the DPRK. In so doing, the method employed will be of an interpretative nature.

From the outset it has to be acknowledged that contrary to defamation, the claim by the Pyongyang regime to be following a policy of independence seems to be validated through its continued adherence to socialism in the face of the dissolution of socialist countries. Following its own path is not entirely new for this maverick regime. In the past divergences between the DPRK and its so-called allies and partners made the relationship less than harmonious. Although significant, disharmony was not due exclusively to cultural differences. Equally important were the North Korean choices of economic and political strategies. In this context, it is not uninteresting to note that relative to the fate of the other socialist regimes, the polity of the Democratic People's Republic of Korea attained a greater degree of longevity. As formulated by Nicholas Eberstadt 'those Communist states which dared publicly to criticize the DPRK's style of socialism have themselves vanished from the stage of history.'[4] In the spirit of the politics of independence previous divergences and disputes with other socialist countries appealed to North Korean national pride. Presently however, far from being a source of gratification, the fate of the "fraternal" countries translating in the loss of economic partners and diplomatic backing from the Soviet bloc and the loosening of ties to China cannot but give Pyongyang a sense of insecurity. This external evolution affects the legitimacy and coherence of its political system as members of the elite might become influenced by the foreign examples. This is indeed a delicate period for the regime who, at the same time, is in the process of implementing its first leadership transition through the attempt to consolidate the position of the heir apparent Kim Jong Il.

A related blow for the DPRK is connected to the evolution on the Korean Peninsula where the correlation of forces on the socio-economic and political levels has been reversed. During the first decades following the Korean nation's liberation from Japanese colonialism, the DPRK --under the leadership of Kim Il Sung-- showed a remarkable degree of political cohesion and economic development. In contrast, South Korea was struggling to achieve dependent economic growth under a dictatorial regime supported by an American military presence. However, from the 1970s on, while the North Korean economy began to show signs of weakening an opposite process was taking place in the Republic of Korea. Besides succeeding in export-led industrialization by taking advantage of the opportunities offered by the world economy, the strong South Korean state in recent years achieved a relative normali-

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[4] Nicholas Eberstadt: "North Korea: Reform, Muddling or Collapse?" in NBR Analysis (The National Bureau of Asian Research) september 1993, volume 4, no.3, p. 9.

zation of political life. Although social conflicts exist and are not to be discounted as future possibilities, it would be shortsighted to expect the demise of the political system. Furthermore it is doubtful whether the United States would acquiesce to a radical regime shift in Seoul. In addition, the Republic of Korea has succeeded in establishing diplomatic ties with the former allies of the DPRK. Even the People's Republic of China joined in the bandwagon at the distress of not only Pyongyang but also of Seoul's former ally on Taiwan.

Thus the achievement of North Korean independence --to a rare degree for a small size country-- together with the evolution of East-West relations has resulted in a state of unprecedented isolation for the DPRK. As a consequence, on the one hand the North Korean polity in its relationship to the outside world shows a militant profile while on the other hand the U.S.-led international community treats Pyongyang as a pariah. Considering its past ties to the former socialist bloc and its relations to the advanced capitalist countries this situation is part of North Korea's experience. Under normal circumstances, the geographical location of the country and geopolitics of the area would have dictated an alliance with one of the big regional actors. Such a foreign policy course would have signified adjustment to the presence of powers such as the United States, Japan, Russia and China. As noted by Nicholas Eberstadt: 'No small country seeking a spot on the map would conceivably of its own volition select precisely the place where the spheres of influence for the four Great Powers happen to collide.'[5] However, the Cold War as well as the Sino-Soviet conflict previously offered the Pyongyang regime some room of maneuver without sacrificing its sovereignty.

In conventional thinking the reason for the state of affairs of the DPRK is often ascribed to the fanatism of the regime in its implementation of "Juche". A concept which forms the foundation of the country's ideological-socio-economic and political system. With the aim of rejecting slavish submission to a foreign power the strategy originally implied attaining ideological autonomy, political independence, economic self-reliance, and the capability of military self-defence. This "ideal-type" model was exalted to the level of ideological principle with ethical overtones; in addition it provided a policy guideline for achieving the promises of efficiency and prosperity as well as individual self-realization. But like other "ideal-types", this model has to be understood in the light of its implementation. By refusing to confront the contrast between theory and practice the North Korean regime opened itself to the derision of foes as well as to the despair of friends.

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5 Nicholas Eberstadt, op. cit., p.7

A reason for this ostensible dogmatism is probably to be found in the regime's self-perception of incorporating national legitimacy. Historically, Korean political culture had been characterized by the confrontation between two trends: "flunkeyism" (or slavishness to a foreign power) and nationalism. From this perspective, "Juche" can be seen as the modern response to the precolonial servile ideological positions of "sadae" (reliance on the great) and "mohwa" (emulate China) characterized by political and cultural dependence on Imperial China. These dominant ideas within the royal elite translated in attempts to model Korean society on the same basis as that of a "superior" foreign protector. As the regional powers Japan, China, and Russia were vying for the control of Korea, this division within that country's political class served to weaken the national purpose and consequently neutralize opposition to Western and Japanese imperialisms.[6] Seen in this light, "Juche" can be considered as a counter-trend to the tradition of subservience and lack of national confidence. It thus became the embodiment of modern Korean nationalism. Since 1945, adherence to autonomy has been the major ideological component not only of North Korean communism but a motivating force for South Korean nationalist political culture expressing itself through the demand for reunification of the nation and independence from Japan and the United States.

Having taken credit for the doctrine's origin and implementation, it became difficult for the highly personalized regime to admit deviations from "Juche". In order to discredit it, very early the argument was made by enemies of the regime that Kim Il Sung was not a genuine nationalist hero but had been installed in power by the Soviet occupation forces. In contrast, the official biography presents the "leader" as an independent political actor from the very beginning. In fact, the evidence suggests that Kim Il Sung had been a revolutionary fighter and a leader of Korean guerrillas against the Japanese in a Chinese Communist unit in Manchuria. As Dae-Sook Suh notes: "His record should be recognized and properly assessed, along with the records of other Korean Communists who fought the Japanese in Korea as well as abroad."[7] Notwithstanding the assertions of friends and foes, it is undeniable that Kim Il Sung belongs to the socialist tradition of Korean nationalism. His assumption of power came about through a struggle within the socialist/nationalist Korean movement. Although the

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[6] See Ellen Brun and Jacques Hersh, Socialist Korea , New York: Monthly Review Press, 1976, chapter 2. Also Eugene C.I. Kim and Han-kyo Kim, Korea and the Politics of Imperialism, 1876-1910, Berkeley and Los Angeles: University of California Press, 1967.

[7] Dae-Sook Suh: "North Korea in the 1990s" in Korean Studies,vol. 16, 1992. For a desconstruction of the North Korean's version of the role of Kim Il Sung see: Gavan McCormack: "Kim Country: Hard Times in North Korea" in New Left Review, No. 193, March-April 1993.

Soviet occupation supported him, he was no pure Russian concoction as the Kremlin would discover.

Consequently, very early the legitimacy of the North Korean regime came to be based on adherence to the nationalist ideology of "Juche". To this extent, nationalism was both a component of the anti-Japanese struggle and post-colonial reassertion of Korean identity. Japanese colonialism had done its utmost to subordinate Korean culture according to its own image. In contrast to decolonization in most of the Third World where it signified victory, the defeat of Japan translated into an externally-imposed national tragedy for the Korean people. Consequently independence was no reward for Korean nationalism who had to mobilize anew. Due to the dramatic circumstances created by post-World War II geopolitics, resulting in the division of the Korean nation, the politics of liberation thus faced a new challenge: "In contrast to many Third World countries, independence in North Korea was not the culmination of a nationalist movement, but a signal for a renewed nationalist struggle. Independence, far from being a joyous occasion, was a bitter one. Korea became a pawn in the politics of the Cold War...."[8] A national tragedy which was exacerbated by the Korean War and the intervention of outside powers in what was essentially a civil war.[9]

Under these circumstances it is remarkable that the Kim Il Sung regime was able to retain such a high degree of independence. Of course Pyongyang was able to take advantage of the Sino-Soviet split in order to avoid being forced into a mold dictated from the outside. While maneuvering between its two allies on the tactical level, the North Koreans did not give up their strategic goal of maintaining sovereignty on the socio-economic and politico-military plans. Nonetheless if the "Juche" model is considered as an ideal-type construction, then there is a danger of falling into a conceptual trap which the regime itself has perhaps inadvertently been promoting. When a South Korean observer states that "by definition the ideology of "Juche" does not conform to a pragmatic way of thinking"[10] he seems to disregard the evidence of North Korean economic and political implementation of the model. As a matter of fact, the strategy was characterized by a surprising amount of both moderation and pragmatism.

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8 Keith Griffin, Alternative Strategies for Economic Development,Basingstoke and London:Macmillan in association with the OECD Development Centre, 1989, p.208.

9 See Bruce Cumings, The Origins of the Korean War: Liberation and the Emergence of Separate Regimes. 1945-1947, Princeton, N.J.:Princeton University Press, 1990.

10 Bon-Hak Koo, "North Korea: Back to Isolationism", in Korea Observer, Vol. XXIV, No.2 (Summer 1993), p. 240.

As noted by an American scholar, administrative decisions showed a practicality which does not always fit the "regime's harsh and seemingly impulsive external declamations."[11]

What is argued here is that a distinction must be made between on the one hand the regime's ideological discourse as well as the theory behind the model and, on the other, the implementation strategy of socio-economic transformation. It has to be recognized that the linking of the "Juche" idea to the projection of "Kimilsungism" appeals to strong nationalist sentiments and fulfills various functions for the regime. The notion that Koreans could build an advanced-type society on the basis of their own efforts called forth a positive response in a traditionalist political culture characterized by a certain aloofness, pride and scepticism towards foreigners. Even a rudimentary knowledge of the history of the Korean nation brings to light the sufferings its people have been subjected to by the activities of regional neighbours. Thus the DPRK's latent distrust of the external world would seem to have roots in Korea's past experiences. As a scholar of North Korea puts it: "The 'Great Leader' has been trying to accomplish what the "Taewongun", a century earlier, could not: namely maintaining the 'hermit kingdom' by keeping the world out, while at the same time modernizing from within."[12] In other words resolving the dilemma of achieving modernization whilst eschewing modernity to use a Eurocentric formulation.[13]

The notions of "modernization" and "modernity" belong of course to the Western conceptualization of development. Their use as ideal-types relates to the experience of present-day capitalist developed social formations. In most respects the terms of reference for understanding processes of transformation in Third World countries within mainstream development theory are established by the West. But using this conceptual prism may indeed blur the picture. This is generally the case but even more so when applied to the DPRK. As a thoughtful writer observes: "By the criteria of liberal political theory, North Korean governance is a grotesque failure. But those criteria are irrelevant to North Korea's own leadership, which judges its governance against a different set of standards."[14] It is a fact that the regime does not make claims of belonging to the Western prototype of liberal democracy. Rather North Korea identifies itself as a socialist country. Again the problem of ideal-type comes into the

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11 Nicholas Eberstadt, op. cit., p. 9.

12 John Phipps, "North Korea --Will it be the 'Great Leader's' Turn Next?" in Government and Opposition, Vol. 26, No. 1, Winter 1991.

13 Aidan Foster-Carter, "North Korea: The End of the Beginning" in Journal of Communist Studies, Vol.3, No.4, December 1987, p.81.

14 Nicholas Eberstadt, op. cit., p.9

picture and creates problems of understanding. Applying the sparse guidelines of Marx as to future socialist societies, Western Marxists have had difficulties not only with North Korea but with other countries as well. With the Soviet Union in mind, Paul Baran made the point "that socialism in backward and underdeveloped countries has a powerful tendency to become a backward and underdeveloped socialism."[15] The implication of course is that socialism in the Marxian sense can only be realized in advanced capitalist societies. Until now history has not been kind to this prediction. It is quite obvious that given a definition of socialism as a societal stage based on prior development and not as a developmental process[16] the question arises concerning the development strategies used by countries identifying themselves as socialist.

If the conclusion is drawn that there is no socialist path to development, we must equally conclude that there is no liberal road. To a certain extent both the DPRK and the ROK --each from different ideological points of departure-- have based their societal transformation on the theoretical foundations of "developmentalism" which presupposes strong state interventionism.[17] Thus it is not uninteresting to note that seen from the angle of Western political doctrine --both in its liberal and Marxist versions-- neither Koreas fit the mold! This deviation is not alone due to cultural factors but is related to the historical process of societal transformation which always takes place under specific conditions. Being sociologically as well as politically destabilizing, "modernization" in Third World countries cannot simply be grasped by the criterias of established industrial or post-industrial social formations. More enlightening would be a comparative analysis with the implementation of the earlier industrial revolution and industrialization in Western countries and Japan. Such an approach might paradoxically bring to the surface similarities which seem to have escaped the attention of conventional development theory.[18]

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15 Paul A. Baran, The Political Economy of growth, New York: Monthly Review Press, 1962, p.viii.

16 See Adrian Leftwich, "Is there a socialist path to socialism?" in Third World Quarterly,Vol.13, No. 1, 1992.

17 While Gordon White considers "developmentalism" as an ideology, the concept here is identified as a theory. See Gordon White, "Developmental States and Socialist Industrialisation in the Third World" in Raphael Kaplinsky(ed.): Third World Industrialisation in the 1980s: Open Economies in a Closed World,London:Frank Cass, 1984, p.97.

18 For a discussion of this problematique see James Peck, "Revolution Versus Modernization and Revisionism: A Two-Front Struggle" in Victor Nee and James Peck: China's Uninterrupted Revolution-From 1840 to the Present, New York: Pantheon Books, 1975.

This argument should not imply disregard for the existence of important differences. For example the problem of original (primitive) capital accumulation in the case of European as well as Japanese capitalism was alleviated through colonialism. Likewise the tension created by the transition from agrarian societies to industrialism and urbanism was reduced through export of surplus populations and import of foodstuffs and raw materials. Factors obviously not available to present day-developers who have to organize their socio-economic evolution on the basis of internal mobilization of material and human resources. Furthermore the process of industrialization and development has not simply been a societal reproduction of an ideal type. Although Britain, according to Marx, showed the image of the future for those countries following it on the industrial ladder, Third World countries could not simply replicate the same strategy.[19] History shows that capitalist "late development" had to be different from that of the "first developer". In the former case, the catching-up process required greater state involvement as an active participant of socio-economic transformation than is usually ascribed to the case of Britain.[20] However this argument should not be overstated as the British experience was far from the clear-cut prototype of liberalism it is often made to be.

As far as political modernity in the form of "democracy" is concerned it is often forgotten that this is a rather recent phenomenon in the history of capitalism. What is argued here is that to understand societies like the North Korean, a certain relativism must be introduced in the analysis. And the method must take into consideration not only the political and societal project, but the real possibilities and constraints facing the country.

In the typology of modern "developmental states", it is possible to distinguish between three examples[21]: i) "state capitalist" countries characterized by political control and economic

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19 When Karl Marx wrote "De te fabula narratur" in the preface to the first German edition of Capital (published in 1867)he created a certain ambiguity for development theory: "The country that is more developed industrially only shows, to the less developed, the image of its own future." (Capital, vol 1, Moscow: Foreign Languages Publishing House, 1961, pp.8-9) However in the process of translating it into French, he realised the Eurocentric misinterpretation which the formulation might invite and revised the wording, asking Engels to do likewise with all later editions and translations. For unknown reasons this never happened. In the last period of his life, he developed a conceptualization of the global heterogeneity of societal forms, dynamics and interdependence. He cautiously recognized the possibility of Russia jumping over capitalism and going over to socialism on the basis of the specific social organization in agriculture, the MIR. See Teodor Shanin ed., Late Marx and the Russian Road-Marx and the 'Peripheries of Capitalism', New York: Monthly Review Press, 1983.

20 For a discussion for "late development" to take a different form from earlier developers, see Alexander Gerschenkron: Economic Backwardness in Historical Perspective, Cambridge, MA.: Harvard University Press, 1962.

21 See Gordon White, op cit.

collaboration between state and private capital; ii) intermediate regimes with a pattern of expanding state ownership and management of the economy and where a "state class" emerges as an independent actor dominating society; iii) state socialist formations with maximal political control and where private industrial capital is largely eliminated. In this last type the state initially represents the interests and aspirations of the original revolutionary coalition of political forces but the transformation of society and the struggle for survival on the part of the polity create a remoteness to civil society.

All social formations show an interaction between politics (the role of the state) and economics (the role of the market). In the case of developed capitalism we see the existence of two ideal-type categories which have been described by Chalmers Johnson as the "capitalist developmental state" on the one hand and the "regulatory state" on the other. The prototype for the former is Japan while the United States represents the latter.[22] Although the economic role of the Japanese state has been recognized we should not be blind to the existence of government intervention in the economies of so-called advanced liberal capitalist countries. Ideally, in the "minimal noninterventionist state" only instances of market shortcomings affecting the public goods motivate political interference. Likewise unemployment and inflation push the minimal state to intervene to achieve macroeconomic stabilization. Thus while there is a certain space between economic activities and political authority in this type of society, the same cannot be said about the "maximal state". Here authoritarianism predominates not only in the political sphere but also in economic life where voluntary exchange relations based on self-interests are reduced. In the "socialist maximal state", political authority is further reenforced through state ownership of the means of production. Between these ideal-type categories, "medium states" can be found. These are characterized by political guidance of the economy while retaining a certain freedom from state authority. Countries like Japan, South Korea and Taiwan could be identified as "medium capitalist states", whereas the socialist states introducing market reforms and privatization could qualify as "medium socialist states".[23]

The type of state which is established in a developmental environment depends to a large extent on the external influence; but even more important is the political culture which exists in the society and the qualiber of the leadership. In the context of East Asia, the state as a

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22 See Chalmers Johnson, MITI and the Japanese Miracle, Stanford, CA: Stanford University Press,1982, chapter 1.

23 Keun Lee, New East Asian Economic Development - Interacting Capitalism and Socialism, New York and London: M.E. Sharpe, 1993, p.13.

dominating institution of society has been a component of an age-long tradition of politics. These societies have traditionally had a strong elitist orientation supported by Confucian paternalism.[24] These characteristics can be observed in the capitalist countries of the area where the notion of individualism is dissimilar to the Western prototype. It ought to be pointed out though that also in the European context individualism, initially, had to be created from above! However, this aspect of East Asian political culture helps to comprehend the regime of the DPRK. As pointed out by James Cotton: "While ... Marxist systems have sought to obliterate or control 'civil society', North Korea is also heir to a long Confucian legacy".[25] This may serve to explain the relationship between ruled and ruler in the DPRK as well as the type of governance. According to the doctrines of Confucianism the quality of the state apparatus was considered to be a function of its ability of showing economic results and achieving social stability. The regime in Pyongyang was thus able to construct an authoritarian system which built on the Confucian heritage combined with Marxist-inspired innovations of social engineering. To this extent political repression -- although not absent-- is not as widespread as is usually believed. The concentration of power in the country's hierarchy has been chided. But compared to the other former socialist regimes, the Workers' Party of North Korea shows distinct traits. On the one hand it is a mass party while at the same time being a vanguard party dominated by a strong leadership. As seen by Nicholas Eberstadt: "It is precisely this broad base that permits North Korean party leadership to exercise such ambitious and far-reaching control over actions of its citizens at the local level."[26] This translates into a special kind of political system where obedience is institutionalized thus affecting the exercise of authority. In the words of the scholar Gregory Henderson: "North Korea does not rule by law and only in small part by police or jail. It rules through exceedingly concerted and consistent propaganda and socialization programs in an isolated polity. Since 1958 this control system has worked without any opposition appearing on the surface. Pyongyang needs no legal restraints on politics; they inhere in its massively disciplined social system in which little complaint and no redress is possible."[27]

Although the stability of any regime depends on strategic decisions and implementation of a socio-economic transformation process, in a world which has become smaller the choice of

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[24] ibid., pp.14-15.

[25] James Cotton, "Civil Society in North Korea" in Korea and World Affairs, Summer 1992, p.320.

[26] Nicholas Eberstadt, op. cit., p.8.

[27] Gregory Henderson: "The Politics of Korea" in John Sullivan and Roberta Foss (eds.) Two Koreas-One Future?, Lanham, MD and London: University Press of America, Inc., 1987, p.108.

strategies is affected by external influences. While capitalism in its infancy faced the weak opposition of a decadent feudalism, the socialist experiments since World War II have had to confront the hostility of a vigorous capitalist world system. In the words of the development expert Keith Griffin: "This external environment inevitably has exerted a strong influence on policy and strategy. Indeed the influence has been so strong that sometimes it is impossible to know whether a particular feature of a socialist strategy of development arose because of the external environment or is an inherent aspect of the strategy itself."[28] It is not uninteresting to remember that it was not until after the unreliability of Soviet solidarity and support during the Korean War had revealed itself that "Juche" as a self-reliant model of economic development was launched by Kim Il Sung and achieved primacy in the North Korean polity against the positions of pro-Soviet and pro-Chinese fractions.[29]

In the former world of socialism four basic development variants were established. Again we are talking about ideal types since carrying out a strategy of development implies a great deal of adjustment to the concrete conditions. The first one of course is the Soviet model where primitive capital accumulation takes place at the expense of agriculture in order to finance the forced industrialization of the country. The second example could be identified as the Yugoslav model of workers' self-management. Here the productive units had a certain autonomy from state control. The third approach is the Chinese variant with its emphasis on rural development through the organization of the peasantry in People's Communes. The fourth model is the North Korean variant of self-reliant development. As Keith Griffin[30] who offers this categorization of socialist experiments points out these variants were characterized by high rates of capital formation and high levels of investment often accounting for approximately 30 percent of the domestic product. This translated into a low ratio of consumption relative to national income. On the other hand public consumption (health, education, public transport) was favored at the expense of private consumption.

With regard to the North Korean "Juche" model, three aspects stands out: 1) Capital formation was mainly mobilized internally although the country did receive some assistance from the Soviet Union and China. Foreign investments were not attracted until the 1980s with limited

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28 Keith Griffin, Alternative Strategies for Economic Development, London:Macmillan(in association with the OECD Development Centre), 1989, p.201.

29 See Gordon White, "North Korea Juche: The Political Economy of Self Reliance" in Manfred Bienefeld and Martin Godfrey (eds.) The Struggle for Development, Chichester, New York, Brisbane, Toronto, Singapore: John Wiley & Sons Limited, 1982, p.326.

30 Keith Griffin, op. cit., p.31.

sucess. With a high rate of savings, the DPRK did manage to finance economic growth. However, the world oil price rise in the 1970s created a repayment problem for the economy. 2)The model attempted to develop a comprehensive, diversified and integrated national economy with a reluctance to engage in specialization based on comparative advantage which would have made it an appendix to the COMECON. Development of a manufacturing sector was not made at the expense of agriculture although this latter sector did contribute to capital accumulation. A relatively large industrial labour force was created and an urbanization process sustained largely on the basis of national efforts. 3)Emphasis of the development strategy has been on reliance on domestic sources of food, raw materials and fuel. From the very beginning priority was given to food production in order to make up for the division of the nation which had meant that the arable lands of the South would not be available. One of the paradoxes of this permanent mobilization society is that in comparison to the other socialist countries the strategy was characterized by moderation. Agricultural collectivization did not result in famine and the land reform seems to have been more "redemptive" to landlords than was the case in other countries. According to the UN Food and Agriculture Organization (FAO), the North Korean rice yield per hectare between 1979 and 1990 was the highest in the world.[31] Various sources agree on the fact that until the early 1970s the GNP of the DPRK with a smaller population had been higher than that of the ROK.

In his study published for the OECD Development Centre, Keith Griffin concludes his discussion of the North Korean model in the following terms: "In summary, North Korea shows that economic self-reliance in a medium-size country is possible. The particular strategy followed in North Korea probably was historically determined and then strongly influenced by the political ambitions and style of the leadership."[32]

Notwithstanding the successes which the "Juche" pattern of socio-economic development was able to muster, the model has been facing exogenously created problems as well as endogenous weaknesses. The elements outside the model but with a determing influence on its implementation are connected to the international environment. If it is accepted that the economy of the DPRK did rather well in the first decades of its existence compared to other Third World countries --including South Korea-- it might be worthwhile to look at the policies of friends and foes. The 1960s was a decade of insecurity in Asia. The war in Indochina created a need for socialist regimes in the area to mobilize their military capability. American military forces were present in South Korea and the Seoul regime sent military personnel to

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31 FAO, Yearbook--Production, vol.44, 1990, Rome 1991, table 17.

32 Keith Griffin, ibid.

participate in the Vietnam War. This on top of the permanent state of tension between the two Koreas explains the militarization of North Korean society. As seen from Pyongyang, the appeasement policy of the Soviet Union vis-a-vis the U.S. further accentuated the perceived necessity of not relying on others. The Sino-Soviet split contributed in the same direction while the Chinese Cultural Revolution was perceived as a menace to the socialist legitimacy of the Pyongyang regime. In an effort to immunize the population against external destabilizing influences some features were built into the system. Besides the creation of a garrison state, the personal importance of Kim Il Sung was strengthened as a counterweight to events in China in the perspective of neutralizing any internal or external attempt to remove his leadership. The extreme mobilization and militarization of the population as well as the unparalled personality cult of the "Leader" became characteristics of that society. On the economic front, this translated into a shift of priorities. Now large defense expenditures created imbalances in what was essentially an economy of scarcity. In addition natural disasters caused hardships on the country. Observers of the North Korean scene link the military build-up with the simultaneous decrease of assistance from the USSR and China as the beginning of the economic troubles which manifested themselves in the early 1970s[33].

In tandem with the evolution of the socialist world and internal economic difficulties, the DPRK in those years adopted a policy of limited economic ties with capitalist countries, especially with Japan and Western Europe. The aim was to capitalize on the price increase of raw materials in order to acquire needed technology and capital deemed necessary to catch up on lagging productivity. This had some positive effect on the six-year plan which was completed in September 1975, 16 months ahead of schedule. Essentially, this same course had been adopted by most socialist countries. However, as is known this turned out to be a strategy of putting national economic policy at the mercy of external forces. The recession in the world economy in the beginning of the 1970s exacerbated by the oil price hike soon reduced the prices of primary products affecting the terms of trade of North Korean exports in a negative way. As Barry Gills notes: "...what began as a mere search for technology through trade led rapidly to financial difficulties. Once engaged in the world economy, even a self-reliant economy like North Korea would be more vulnerable to global economic recession, or the imported effects of world economic crisis."[34]

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[33] See Nicholas Eberstadt, op. cit., p.10 and Turuo Komaki, "North Korea Inches Toward Economic Liberalization" in Japan Review of International Affairs, summer 1992,p.157.

[34] Barry Gills: "North Korea and the Crisis of Socialism: The Historical Ironies of National Division" in Third World Quarterly, vol.13, no.1, 1992, p.116. See also Ellen Brun and Jacques Hersh: "North Korea: Default of a Model or a Model in Default?" in Monthly Review, February 1978.

The answer to the difficulties encountered in the 1970s was a return to ideological and political mobilization in order to intensify the modernization of the socialist economic system. While the official discourse stressed the role of the "Great Leader" and the "Genius of Kim Jong Il" as well as ideological and political successes, the gap was becoming noticeable: "As the economic crisis became ever more real, the political slogans became ever more unrealistic."[35] In the 1980s the attempt was made to attract foreign investment but on a much more limited scale than was the case in other socialist countries. But this policy was not accompanied by reforms of the political system as was done elsewhere (China, Laos, Vietnam, etc.). Under these conditions, despite the foreign investment legislation the capitalist countries were reluctant to venture into North Korea. This attitude was probably also influenced by considerations to South Korea which had become an interesting economic partner for advanced capitalist countries.

Consequently the transition to "intensive growth" on the basis of the spread effects of ties to developed capitalism through international trade[36] was no realistic option for Pyongyang. The systemic competition with South Korea inhibited the DPRK's freedom of movement. On the one hand Pyongyang could not compromise entirely with the capitalist world system --a course which Seoul aimed at preventing through pressures on its allies-- without giving up its identity and legitimacy. On the other hand the successful integration of the South Korean economy in the world market accentuated the divergences of the individual consumption levels between the two societies. By initially measuring its success in comparison to the South, which until the 1970s was to the North's favour, doing so later prevented realization of the strategy of socialist transition. Although never defined in those terms by Kim Il Sung, the essence of the model of self-reliance per definition should aim at "converging resources and demand" on the one hand and "converging needs with demand" on the other.[37]

What is argued here is that the "Juche" doctrine did not and could not transcend the constraints imposed by the division of the Korean Peninsula. While the model itself required a strong state, the personalized authority of the leadership was further accentuated by the fact that the struggle for the polity's independence took place in the context of an internal struggle

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35 Barry Gills, ibid., p.117.

36 For a discussion of the transition from "extensive growth" to "intensive growth" through economic intercourse with advanced capitalist economies, see: Lloyd Reynolds: Economic Growth in the Third World, 1850-1980, New Haven: Yale University Press, 1985.

37 For a discussion of socialist transition in a Third World context see: Clive Y.Thomas, Dependence and Transformation, New York and London: Monthly Review Press, 1974.

against pro-Soviet or pro-Chinese factions. The industrial base was to be the foundation for the capacity of achieving autonomous development. Hence the primary emphasis on heavy industry with centralization of the economy under state planning together with the collectivization of agriculture. This strategy implied a "maximal socialist state" with complete control over the domestic economy and enabling the polity to attain a high degree of autonomy also in the political sphere. From a socialist perspective the contradiction arises as to the future withering away of the state when in fact everything is done in the short and medium run to strengthen it.

On a related level another important source of tension is connected to the ideological foundation of the system in the context of a strong state vis-a-vis the evolution of civil society. While the "Juche" system stresses emancipation of the individual on the theoretical level the state exerts its capacity of control by imposing a single value system.[38]
Several aspects influence the dichotomy between a strong state and the socialist ideology. On the one hand the newer generations without the historical background of their elders will all things being equal not have the same revolutionary zeal. Their expectations will per definition be different. Retaining their allegiance requires isolation from external influences. A task which is presently more difficult than before the demise of the Soviet socialist system. In the view of some economists there is a built-in mechanism in a socio-economic system like the North Korean in the sense that the existence of general welfare tends to reduce individual motivation. Basing himself on Kornai's concept of "soft budget constraint"[39] according to which security of the individual or the firm diminishes motivational efficiency of the economic actors, Keun Lee argues that: "...because socialism guarantees basic living conditions to all individuals and continuation of operation to all enterprises regardless of their performance, socialism is bound to face the problem of weakening social discipline."[40] This might explain the need for constant renewed ideological and political campaigns.

The difficulties facing the DPRK have the making of a deep crisis for the regime who faces a problem of regenerating economic growth. The domination of the state is so comprehensive that the possibility of finding solutions within the established pattern may become rather

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38 For a discussion of contradictions within the North Korean system see: Jacques Hersh, "On the Problem of Establishing a Frame of Reference for a Discussion of Contradictions within the North Korean Strategy of Development and Socialist Construction" in Ellen Brun, Jacques Hersh and Lennart Nørreklit: Om metoden i et forskningsprojekt om Nordkoreas udviklingsstrategi, Aalborg, Denmark: Aalborg Universitetsforlag, 1979, Serie om videnskabsforskning nr.8.

39 Janos Kornai,"The Soft Budget Constraint", in Kyklos, vol.39,no.1.

40 Keun Lee, op. cit., p.19.

limited. As Nicholas Eberstadt formulates it: "The North Korean structure at present possesses no self-correcting mechanisms for redressing long-term economic stagnation or decline."[41] But at the same time the country is not on the verge of collapse writes James Cotton after a recent visit to the DPRK[42].

Although the impasse of the Korean "socialist maximal state" can be ascribed to internal factors as well as to external elements, the fate of the regime may be tied to the evolution of intra-Korean affairs in the context of regional developments. Movement on both levels has been noticeable in later years.

While the DPRK has shown interest for reforming its national economy in the mold of the Chinese example and moving in the direction of a "medium socialist state", the South Korean regime has evolved toward a "medium capitalist state" with a limited liberalization of political life. At present, leading groups in both Koreas are still affected by the ideological animosity of the past. In South Korea, expressions of praise or sympathy for the North is punishable and prevented as was the case for instance during the funeral of Kim Il Sung. The different bureaucracies in the South Korean system may have divergent positions on the question of North Korea but antagonism is still the dominating trend. As the political scientist, Manwoo Lee notes: "These bureaucracies, though they vary in their approach to reunification, are extremely conservative and rigid in their attitude toward North Korea, and the political reward structure punishes anyone who attempts a different approach"[43]. The same author points to the existence of hard liners in North Korea who have the greatest apprehensions and distrust of the Southern government, the United States, Japan and the International Atomic Energy Agency, while more flexible elements can also be discerned[44].

To a greater extent than is usually acknowledged, there is however, an implicit area of agreement between the polities of both Koreas. Although Pyongyang and Seoul disagree on much, they tacitly recognize that neither has any interest in a radical disruption of the existing status quo on the peninsula. As a former US ambassador to Seoul puts it: "North Korea does not want to be taken over by South Korea, as East Germany, and the South does not want the

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41 Nicholas Eberstadt, op. cit., p.11.

42 James Cotton, "Signs of Change in North Korea" in The Pacific Review, Vol. 7, No. 2, 1994, p. 227.

43 Manwoo Lee, "The Two Koreas and the Unification Game" in Current History, December 1993, p. 421.

44 Ibid, p. 425

North to collapse economically, imposing a staggering burden that South Koreans cannot assume"[45].

In this respect it should not be ignored that the peninsula is living through the end of an era. As pointed out by Manwoo Lee, the South Korean regime itself is in an incomplete transformation from authoritarian military politics. Some of the existing problems facing the first civilian government of Kim Young Sam are components of what has been called "the Korean disease". The shortcomings of the system can be observed in the widespread corruption and irregularities of politics, the bureaucracies, the educational institutions, the media, the role of the military, the religious groups and business enterprises. Simultaneously, the country although possessing a strong economy is no longer a robust Asian "tiger"[46].

The two transitions which are taking place on both sides of the 38th parallel ought to lead to a resolution of an abnormal situation: i.e. the division of an age-old historical nation. The drive of nationalism and economic integration in the world economy would logically dictate a course towards reunification. Not in the form of a big bang but through a gradual process perhaps building on the concept of one nation, two systems and two governments as a practical necessity in order to adapt to the trends of globalization and regionalization.

A step in the direction of regional cooperation involving the two Koreas and neighbors like Russia, China and Japan as well as Mongolia is being attempted with the Tumen River project. Such international economic collaboration could be an avenue for facilitating North-South rapproachment. The DPRK has been an active supporter of the UNDP-sponsored initiative making the China-North Korea border region a special economic zone. As James Cotton concludes his article on this topic: "The existence and promotion of the Tumen river FETZ (Free Economic Trading Zone) would seem to refute the view that Pyongyang is beset with policy immobilism"[47].

Gradualism to the intra-Korean problem based on the survival and coexistence of the two systems would be in the interests of the two Koreas. Their economies are to a large extent complementary. At the time of transformation of the international economy a reunified Korea would in the long run enable this nation to retain its economic and political sovereignty. In

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45 Donald P. Gregg, "Not the Way to Handle the Koreas" in International Herald Tribune, May 20 1994.

46 Manwoo Lee, op.cit., p. 423.

47 James Cotton, op.cit., p.227.

the face of future potential regional strains as China becomes an economic and political superpower and Japan attempts to maintain its position the Korean nation could have a stabilizing impact. Such a prospect would not necessarily be in contradiction with the interests of the two powerful neighbors.

In the short term there is a definite concern for stability in the region. This explains the relative moderation of the countries of North East Asia to the North Korean nuclear affair compared to the activism of the United States. At this time when Washington is pushing Japan on trade issues (which also affects the rest of East Asia) as well as China on the democracy issue (which can also target other authoritarian regimes of the region) the trend toward regionalization of the area might be strengthened. Such an evolution ought to offer the possibility for a successful solution to the Korean tragedy.[48]

[48] See Bruce Cumings, "From the Korean War to a Unified Korea", interview in Korea Journal, vol. 32, No. 4. Winter 1992, p.23.

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